

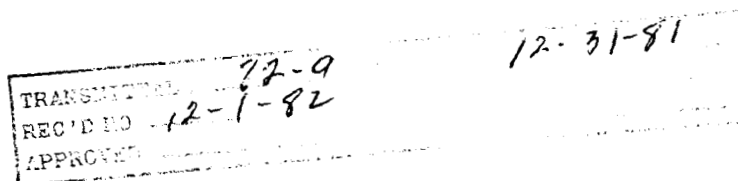
Attachment 4.19 D

Policy and Methods Used for Establishing Reasonable Charges for Skilled Nursing Facilities (SNF).

The Agency will reimburse for Skilled Nursing Facility services on a prospective rate basis. This rate will be determined annually based on the prior year Medicare interim rate adjusted for factors such as availability of funds, inflation and Medicare adjustment for over and under payments. However, the payment rate must not exceed the provider's customary charges to the general public and the Medicare reimbursement standard.

The Agency will require the provider (hospital) to submit a copy of the Medicare cost report. Also, the Agency will acquire a copy of the Medicare Audit/Final Settlement Determination from Hawaii Medical Services Association (HMSA), (Medicare Intermediary) to be used as a basis in meeting the audit requirement of 42 CFR 447.265.

The provider is allowed to appeal to the Medicaid Administrator about the prospective rate for Skilled Nursing Facilities services.



## Guam Payment for SNF Services

### I. Assurances Required by 42 CFR 447.252(C)

- A. Guam Medicaid assures that it has found the payment rate to be reasonable and adequate to meet the costs which would be incurred by an efficiently and economically operated hospital.
- B. Guam Medicaid assures that the Agency has established a uniform cost reporting mechanism and periodic auditing procedure.
- C. Guam Medicaid assures that the Agency does not believe this new mechanism for determining the new reimbursement rate significantly affects the payments to the provider. Therefore, the public notice requirement of 42 CFR 447.254 is not applicable.

### II. Related Information Required by 42 CFR 447.252(d)

The average Skilled Nursing Facilities rate in the past was \$35/day. The proposed flat rate for Skilled Nursing Facilities will also be \$35/day.

The Agency does not believe that the change in the rate determination methodology will have a short or long term effect on:

- 1) The availability of services on a statewide and geographical basis.
- 2) The type of care furnished (for example, secondary or tertiary care).
- 3) The extent of provider participation.

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